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C O N F I D E N T I A L SECTION 01 OF 02 JERUSALEM 001353

SIPDIS

NEA/IPA FOR GOLDBERGER/SACHAR; PRM FOR PRM/ANE;
NSC FOR PASCUAL; TREASURY FOR ROSE; USAID FOR
MCCLOUD/BORODIN

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TAGS: [ECON](#) [KWBG](#) [PHUM](#) [KISL](#) [PGOV](#) [IS](#)
SUBJECT: GAZA: MORE FOOD AND FUEL; BUT CONDITIONS LITTLE
IMPROVED

REF: A. JERUSALEM 1324
[1](#)B. JERUSALEM 1278

Classified By: Consul General Jake Walles, Reasons 1.4 (b) and (d)

[1](#)1. (SBU) Summary: More than a month into the ceasefire, UN and NGO contacts report that flows of basic commodities and fuel into Gaza are higher than in the period immediately prior, and the GOI is allowing imports of cement and gravel, items that had been prohibited since June 2007. With the increased fuel levels, the Gaza power plant is producing more electricity. Gaza-based contacts comment positively on the lack of incursions. They note, however, that import levels remain significantly below demand and economic conditions in the Gaza Strip are little improved. Power outages are still common; Gazans get only a few hours of water service from the mains each day; fuel and other commodities are "rationed" by Hamas; and increasing amounts of raw sewage are being dumped into the sea. Gaza businesses are almost completely shuttered, as exports remain blocked. End summary.

Sufa, Nahal Oz and Karni's conveyer
belt open to increased shipments

[1](#)2. (SBU) UN and NGO Gaza contacts report that imports of humanitarian and commercial shipments July 20-25 averaged 75 truckloads/daily via Sufa crossing and roughly 90 truckloads/daily of gravel, animal feed and grains via the conveyer belt near Karni/al-Mintar. These levels are approximately 30 percent higher than the weeks prior to the ceasefire, though direct comparisons are difficult given the continued closure of Kerem Shalom crossing. In addition, imports of cement and gravel shipments have been allowed since the ceasefire began. During the period July 20-25, according to OCHA contacts in Gaza, 14 truckloads of cement entered via Sufa crossing.

[1](#)3. (C) Director of the Gaza Fuel Agency Mujahid Salama confirmed to EconOff that the July 20-25 fuel imports via Nahal Oz were around 30 percent higher than recent averages. Gaza power plant manager Rafiq Maliha said that his plant's output averaged 65 MW this week - up from 55 MW last week - due to the increased level of industrial fuel shipments. Salama listed the following import numbers for the week July 20-25:

- Industrial fuel for the power plant: 2.9 million liters
- Diesel fuel: 1.2 million liters
- Gasoline: 120,000 liters
- Cooking gas: 1,100 tons

Gazans welcome reduced violence

14. (C) UN and NGO contacts in Gaza have reported that Gazans generally welcome to lack of incursions and exchanges of gunfire since the June 19 ceasefire. When asked about tangible improvements, a number of our contacts note that their children now sleep better at night, no longer woken by exchanges of gunfire.

Increased shipments well below demand;
Hamans controls shipment distribution

15. (C) Our contacts report that there has been little improvement in Gazans' daily lives, despite increased shipments. Fuel shortages result in power cuts of four to six hours/daily. (This week's gasoline imports reportedly met 21 percent of demand, while those of diesel fuel met just 35 percent of demand.) OCHA Gaza contacts underscore that cement imports in the month since June 19 (3,268 tons total) have been helpful, but do not come close to meeting demand. In the month of December 2005, for example, Gazans imported roughly 57,000 tons of cement. Our contacts report that Hamas maintains control over distribution of imported construction material (cement, gravel, rebar), fuel shipments, commercial foods and humanitarian shipments not bound for the UN or international NGOs. In addition, UN agencies report that 95 percent of Gaza industrial companies remain closed, hobbled by both the inability to import needed supplies as well as the complete ban on exports.

Limited access to running water;
More raw sewage enters the sea

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16. (C) UN contacts in Gaza told EconOff on July 25 that Gaza residences receive running water from the mains no more than six hours every other day. Because municipalities do not have enough fuel to pump sewage to the wastewater treatment plants, an estimated 83,000 square meters/daily of raw sewage flows into the sea (nearly twice the rate as in 2007).
WALLES